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REPORTS DISCORD AMONG COMMUNIST LEADERS;  
YEH CHIEN-YING GETS REPRIMAND

TUNG AND LIU FACTIONS DIFFER ON FOREIGN POLICY -- Hong Kong Shih-pao, 10 Mar 50

Hong Kong, 4 March -- A certain influential Chinese stated today that Titoism is appearing within the Communist high command because of differences on foreign policy. One group led by elder statesmen, such as Tung Pi-wu, Wu Yu-ts'ao, Lin Tsu-han, Hsu Te-li, etc., is advocating isolationism and is opposed to the faction led by the internationalists, which includes Liu Shao-ch'i, Li Li-san, and others, who are proponents of complete alliance with the Soviet Union.

The informant also stated that in December 1949, an open clash between these two groups occurred at a conference of high-ranking Communist officials called by Mao Tse-tung before he departed for Moscow, and to date, this breach has not been settled.

It is expected that Mao will make a decision on this issue within the next 3 months. It is believed by many that he will favor the internationalist group and that many democratic persons advocating nationalism will be ousted from their present positions, resulting in an open rift in the CCP ranks.

LIU SHAO-CH'I DISSATISFIED WITH YEH'S GRAIN PROGRAM -- Hong Kong-shang Jih-pao, 29 Mar 50

Taihoku -- It is reported that Liu Shao-ch'i is very much dissatisfied with the way Yeh Chien-ying is administering the grain levy. Recently, an order came to Yeh saying that if the farmers had to pay 40 percent of the total tax while the urban portion was only 20 percent, the former would have their livelihood crushed out. With the grain levy in Kwangtung lasting only 3 months, the farmers would be in a seriously destitute situation, the order said. The original assessment against the farmers should be transferred to the city population, and the rural share should not be more than 20 percent, the order concluded.

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When Yeh received this order, he took counsel with Fang Fang, Ku Ta-ts'un, and others. He drafted a reply saying the load on the peasants was increased because of the urgency of needs at the front and the necessity of forestalling the city merchants fleeing and hiding their goods. The ratio of taxation was not for the purpose of shielding the city people, he said.

CENTRAL COMMITTEE REPRIMANDS YEH CHIEN-YING -- Hong Kong Hu-sheng Pao, 15 Mar 50

Yeh Chien-ying (Ueda: 9966, 524, 9795), was reprimanded by the Central Committee of the CCP for failing to meet the goal set for the CCP membership campaign in Canton. Political activities in Kwangtung since the Liberation Army took over the province have been considered a failure because the party has not expanded as expected by the CCP and the South China Bureau. This leaves the Communist Party in South China in the same situation as it was during its underground movement days in this area.

Although the Chinese Communists have complete control over Kwangtung and Canton organizations and schools, they have not been able to expand their activities effectively. The reason for this failure is the chaos caused by KMT agent activities.

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